

**NATIONAL DAIRY MARKET AT A GLANCE**

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/11)**  
**BUTTER:** Grade AA closed at \$1.4000. The weekly average for Grade AA is \$1.4050 (-.0967).

**CHEESE:** Barrels closed at \$1.3225 and blocks at \$1.3700. The weekly average for barrels is \$1.3230 (-.0035) and blocks, \$1.3700 (N.C.).

**BUTTER:** The cash butter market remains weak. Butter producers from coast to coast report cream supplies range from adequate to readily available. Churning activity is seasonally strong. Traders and handlers indicate that butter demand has increased as the cash price weakens. Some buyers are now considering running retail feature activity prior to the year end, but are finding that print butter stocks are not available. Some of this interest will be addressed, but others will not. Butter producers and printers state that by the time they repackage frozen bulk butter into prints and deliver desired volumes, the calendar will indicate that it is too late. Another factor limiting additional sales at this time is that current or near term butter churned and printed is already committed. Many butter operations are already at or very near capacity, thus there is basically no capacity to generate additional stocks for the increased demand. Some buyers were holding off placing specific orders until the market gained some stability, but are now in competition for those available volumes.

**CHEESE:** The cheese market is unsettled to weak. The lead time needed for holiday orders is rapidly disappearing. Current cheddar and natural American interest is fair, often lackluster. Interest has improved for aged cheddar. Process interest is often slow to fair. Swiss and Baby Swiss interest is generally good. Mozzarella interest is spotty as some extra volumes are being frozen for later use. Most producers are trying to balance current production levels with orders to avoid building inventory. Current cheese production is about steady. Cheese yields are seasonally strong.

**FLUID MILK:** The return of electricity to almost all Florida customers has bottlers importing larger milk supplies to refill the system ahead of the upcoming holiday. Retail sales and school accounts have nearly returned to normal. Also, more winter residents are arriving in Florida. Fluid imports into Florida are well above year ago levels. Otherwise, Class I interest is steady to occasionally improved. Class II production also picked up for holiday specialty items including dips and sour cream. Churning remains seasonally active. Milk receipts are at or near the annual low point in the upper Midwest, Northeast, and in the Pacific Northwest. Milk intakes are increasing further south, though Florida is unchanged. In California, milk volumes are steady to slightly

higher. In Arizona and New Mexico, receipts are generally steady. Fat and protein tests have recovered from summer lows.

**DRY PRODUCTS:** The whey market is steady to firm. The addition of fuel surcharges and/or premiums has increased buyer resistance at current prices as well as on early 2006 orders. Production is steady though spot offerings are limited. The WPC market is steady. Supplies of 34% are in balance with 80% mixed, depending on producer. Most edible buyers are contracted for the rest of the year. The lactose market is steady to firm. Spot trades are occurring at a premium to contracted volumes. Supplies are tight and some delivery delays noted. The prices of NDM are irregularly higher and lower. Supplies are available in the West but buyers are reluctant to pay the delivered price to other areas of the country. Demand is best for pre-surge (cheaper) product. Cheese maker use of NDM may be hurt by recent cheese price weakness and weaker demand. Production is steady at generally lower seasonal levels. Some effort continues to produce high heat. Buttermilk prices are unchanged. Demand is unable to keep up with current offerings. Supplies are increasing due to heavier than normal butter production.

**CCC:** During the week of November 7 - 11, there was no dairy price support activity.

**AUGUST MAILBOX MILK (DAIRY PROGRAMS):** In August 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.65, \$.03 more than the figure for the previous month. The component tests of producer milk in August 2005 were: butterfat, 3.53%; protein, 2.95%; and other solids, 5.70%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas except six, and ranged from \$18.60 in Florida to \$13.00 in New Mexico. In August 2004, the Federal milk order all-area average mailbox price was \$14.75, \$.10 higher.

**SEPTEMBER FLUID MILK SALES (DAIRY PROGRAMS & CDIB):** During September, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.5% higher than September 2004. After adjusting for calendar composition, sales in September 2005 were 1.0% higher than September 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from September 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier.

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**CHICAGO MERCANTILE EXCHANGE  
CASH TRADING**

PRODUCT	MONDAY NOVEMBER 7	TUESDAY NOVEMBER 8	WEDNESDAY NOVEMBER 9	THURSDAY NOVEMBER 10	FRIDAY NOVEMBER 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3250 (+.0200)	\$1.3225 (-.0025)	\$1.3225 (N.C.)	\$1.3225 (N.C.)	\$1.3225 (N.C.)	(+.0175)	\$1.3230 (-.0035)
40# BLOCKS	\$1.3700 (N.C.)	\$1.3700 (N.C.)	\$1.3700 (N.C.)	\$1.3700 (N.C.)	\$1.3700 (N.C.)	(N.C.)	\$1.3700 (N.C.)
BUTTER GRADE AA	\$1.4150 (-.0600)	-----	\$1.4000 (-.0150)	-----	\$1.4000 (N.C.)	(-.0750)	\$1.4050 (-.0967)

**NOTICE** - The CME will be closed 11/24 & 11/25. CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USA.GOV/MARKETNEWS.HTM **NOTE:** CME NDM on Page 2.

## CHICAGO MERCANTILE EXCHANGE

MONDAY, NOVEMBER 7, 2005

CHEESE—SALES: 2 CARS BARRELS: 1 @ \$1.3050, 1 @ \$1.3250; 3 CARS 40# BLOCKS: 2 @ \$1.3650, 1 @ \$1.3675; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3250; 6 CARS 40# BLOCKS: 1 @ \$1.3700, 1 @ \$1.3600, 2 @ \$1.3200, 2 @ \$1.2700; OFFERS UNCOVERED: NONE

BUTTER—SALES: 12 CARS GRADE AA: 1 @ \$1.4500, 6 @ \$1.4400, 2 @ \$1.4300, 2 @ \$1.4200, 1 @ \$1.4150; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.4100; OFFERS UNCOVERED: 12 CARS GRADE AA: 1 @ \$1.4450, 2 @ \$1.4500, 1 @ \$1.4525, 1 @ \$1.4550, 1 @ \$1.4600, 1 @ \$1.4650, 1 @ \$1.4700, 1 @ \$1.4750, 3 @ \$1.4800

TUESDAY, NOVEMBER 8, 2005

CHEESE—SALES: 2 CARS 40# BLOCKS: 1 @ \$1.3675, 1 @ \$1.3700; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3625; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3225

WEDNESDAY, NOVEMBER 9, 2005

CHEESE—SALES: 1 CAR 40# BLOCKS @ \$1.3700; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3650; OFFERS UNCOVERED: NONE

BUTTER—SALES: 8 CARS GRADE AA: 1 @ \$1.4200, 1 @ \$1.4300, 1 @ \$1.4400, 1 @ \$1.4300, 1 @ \$1.4275, 1 @ \$1.4200, 2 @ \$1.4000; BIDS UNFILLED: 6 CARS GRADE AA: 2 @ \$1.4000, 2 @ \$1.3600, 2 @ \$1.3500; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.4100, 1 @ \$1.4200, 1 @ \$1.4350, 1 @ \$1.4400

THURSDAY, NOVEMBER 10, 2005

CHEESE—SALES: 2 CARS 40# BLOCKS @ \$1.3700; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3650; OFFERS UNCOVERED: NONE

FRIDAY, NOVEMBER 11, 2005

CHEESE—SALES: 3 CARS 40# BLOCKS @ \$1.3700; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3650; OFFERS UNCOVERED: NONE

BUTTER—SALES: 1 CAR GRADE AA @ \$1.3975; BIDS UNFILLED: 6 CARS GRADE AA: 1 @ \$1.4000, 5 @ \$1.3500; OFFERS UNCOVERED: 3 CARS GRADE AA: 1 @ \$1.4200, 1 @ \$1.4300, 1 @ \$1.4400

**NOTICE - The CME will be closed 11/24 & 11/25**

**CME CASH NONFAT DRY MILK:** Extra Grade closed the week at \$0.9625 and Grade A at \$0.9950. (The last price change for Extra Grade occurred March 30 and the last price change for Grade A occurred October 24.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9950 (N.C.)

**BUTTER MARKETS****NORTHEAST**

The butter market remains weak. The cash market at the CME has (through 11/7) traded lower for four consecutive sessions and seven of the last ten sessions. It is now trading at the lowest level since late May. Churning activity remains light to moderate in the East, but ample cream supplies are reported in other areas of the country. The latest Dairy Products report from NASS indicates continued growth in butter output. Butter output per month has been above year earlier levels every month except January. Cumulative production, through September, is 993.8 million pounds, 7.4% above the same period last year. Butter stocks are readily available to cover current needs. Most Thanksgiving needs have been shipped and producers are now awaiting orders for the year-end holidays. Unless prices have been locked in, buyers are not eager to make new purchases while prices are trending lower. Retail sales are improving due to the upcoming holiday, but pre-Thanksgiving feature activity appears to be lacking this year. Food service orders are starting to improve as restaurants order supplies for their anticipated Thanksgiving needs. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

**CENTRAL**

The cash price for butter at the CME continues to decline. The midweek price of \$1.4000 is the lowest since mid May. This price compares to \$1.9100 last year at this time and \$1.2000 during this time in 2003. Churning activity remains quite active in the Central part of the country. Cream supplies remain readily available. CME butter stocks continue to run heavier than last year, but are declining at a rate that is comparable to recent years. Buying interest for butter is gaining momentum as the cash price weakens. Some buyers are now considering retail feature activity prior to the year end, but are finding that print butter stocks are not as available as demand would desire. Some of this interest will be addressed,

but others will not. Butter producers and printers state that by the time they repackaged frozen bulk butter into prints and deliver desired volumes, the calendar will indicate that it is too late. Another factor limiting additional sales at this time is that current butter churned and printed is already committed, thus new production will not address the increased demand. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

**WEST**

Contacts are surprised at both the magnitude and timing of the butter price declines at the cash CME market. Prices are down \$.1775 in the last five trading sessions to stand at \$1.40. Last November, prices were going the other direction. Demand, however, is only fair at best. Few features are noted at the retail level. Food service orders are only fair. Cream offerings are heavy and prices are low both from a multiple point of view and because the base price is declining. Cream is being churned rather than sold and the butter is being put in the freezer as the best alternative for some butter operations. It is late enough in the fall season that there may not be enough time to do features now that prices are much lower. Printing equipment is generally booked through the holidays. According to *Dairy Products*, September U.S. butter production totals 101.1 million pounds, up 7.2% from last year and up 10.3% from last month. Cumulative output for the first nine months of the year totals 993.8 million pounds, up 7.4% (68.7 million pounds) from the same period in 2004. This works out to an average weekly increase of 1.76 million pounds. Output in September in the Western region totals 50.9 million pounds, up 11.6% from a year earlier. The West produced just over 50% of U.S. butter in September. CME weekly warehouse stocks declined 3.97 million pounds last week to stand at 49.1 million pounds. Stocks for the same week in 2004 were 38.8 million pounds and they were 98.0 million pounds in 2003. Bulk butter prices range from 2 cents under to 6 cents under based on the CME with various time frames and averages.

**NASS DAIRY PRODUCT PRICES****U.S. AVERAGES AND TOTAL POUNDS**

	CHEESE				
	40# BLOCKS	BARRELS	NDM	BUTTER	DRY WHEY
		38% MOISTURE			
<u>WEEK ENDING</u>					
NOVEMBER 5	1.4357	1.4078	0.9882	1.5475	0.3069
	7,902,209	10,399,553	17,961,181	2,281,483	10,662,798

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are generally lower and the market tone is weak. At the CME, prices for cheddar cheese continued to move lower last week. However, small gains in both blocks and barrels in the last two sessions (through 11/7) may indicate that prices are leveling. Demand is slow to fair. Most Thanksgiving needs have been shipped from producing plants. Buyers are now waiting to see where prices will settle out before re-entering the market. This is a typical pattern during a falling market. Cheese production in the Northeast is about steady, but some plants are being offered more milk. With the cheese and milk price relationship currently being negative, producers are not eager to increase output. Retail sales are about steady and food service orders are starting to pick up as Thanksgiving approaches.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4525-1.9725
Cheddar Single Daisies	:	1.4100-1.8850
Cheddar 40# Block	:	1.5100-1.7825
Process 5# Loaf	:	1.5375-1.7750
Process 5# Sliced	:	1.5575-1.7825
Muenster	:	1.5250-1.7250
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

## MIDWEST

The cheese market is unsettled. Current interest is mostly just fair at best. Some buyers and sellers report issues/problems in finding trucks/truckers to move loads. Many trucking firms and some shippers are also limiting shipments during the week of Thanksgiving/deer hunting, particularly in Wisconsin. Best current interest is noted in mozzarella. Mozzarella demand is aided by customers seeking a new supplier to replace a former Eastern mozzarella supplier. Current natural American and cheddar interest is steady to occasionally slightly improved where buyers are trying to take advantage of current lower prices or for post-Thanksgiving activities. Process demand is slow to fair at best. Baby Swiss interest is improving seasonally. Current cheese production is about steady. Current yields are good seasonally with milk volumes irregularly higher and lower.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6125-1.9200
Brick And/Or Muenster 5#	:	1.9175-1.9200
Cheddar 40# Block	:	1.7150-2.2650
Monterey Jack 10#	:	1.9500-2.2650
Blue 5#	:	2.2150-2.6200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5475-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER : CHEESE	
		:
11/07/05	31,519	: 133,664
11/01/05	32,168	: 133,733
CHANGE	-649	: -69
% CHANGE	-2	: N.C.

## WEST

After declining \$.1025 since late October, cash CME block cheese prices seem to have bottomed. Prices increased 1/2 cent late last week and have held steady this week at \$1.37. Demand has not been stimulated very much by these price declines. Buyers are still on the sidelines utilizing their existing stocks. Sellers don't think that buyers have enough cheese on hand to cover upcoming holiday orders, but time is running out to get things done before the end of the year. Stocks are building slowly at the producer level, but they are not too concerned at this time. A number of manufacturers are monitoring milk supplies and cheese production very closely because of the generally adverse returns to the bottom line. Demand for aged cheese (9-12 month old) is picking up seasonally, but there are some real holes in the supply side for many ages. Swiss sales are good for the fourth quarter. Mozzarella sales are not good enough to absorb all the current production and some stocks are being frozen. According to *Dairy Products*, total U.S. cheese production in September is 742.0 million pounds, up 3.9% from last year but 1.6% less than last month. Cumulative output for the first nine months of the year totals 6.80 billion pounds, up 3.0% (200.0 million pounds) from the same period in 2004. This works out to an average weekly increase of 5.13 million pounds over last year. September output in the Western region is 310.0 million pounds, up 5.5% from last year. In September, the West produced 42% of the cheese produced in the U.S. Swiss output in September totals 23.9 million pounds, up 6.8% from last year but 3.2% less than last month.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4775-1.7350
Cheddar 40# Block	:	1.4900-1.8425
Cheddar 10# Cuts	:	1.6700-1.8900
Monterey Jack 10#	:	1.6800-1.8400
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

## FOREIGN

Prices are mostly unchanged on imported styles, sharply lower on domestically-made cheeses. The falling prices on domestic types are helping demand, but some buyers are still waiting to see where prices will settle out before re-entering the market. For domestic types, most Thanksgiving orders are shipped. Distributors/importers are typically busy right up to Thanksgiving week. Imports have slowed as licenses get used up or surrendered. Those surrendered licenses are likely in the last stages of reallocation. Typically, FAS turns country-specific volumes into "global" quotas and offers them "one last time" to potential importers.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.6300	: 1.7650-3.2550*
Gorgonzola	: 3.6900-5.9400	: 2.2750-2.4900*
Parmesan (Italy)	: TFEWR	: 3.1800-3.2850*
Romano (Italy)	: 2.1000-3.1900	: -0-
Provolone (Italy)	: 3.4400-6.0900	: 1.7675-2.0025*
Romano (Cows Milk)	: -0-	: 2.9625-5.1050*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 3.1200-4.1500	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.5600	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	236	0	220	0	128	0
SOUTHEAST STATES	31	0	31	0	0	0

The following are the October 2005 Class and component prices under the Federal Milk Order pricing system: Class II \$14.25 (down \$.10 from August), Class III \$14.35 (up \$.05), and Class IV \$13.61 (down \$0.14). The following are the product price averages used in computing Class prices: butter \$1.6363, NDM \$0.9794, cheese \$1.4996 and dry whey \$0.3038. The Class II butterfat price is \$1.8326 and the Class III/IV butterfat price is \$1.8256. Milk production is at or near its annual low point in the northernmost part of the East, steady to occasionally higher in the Middle Atlantic and Southeast states. Florida's milk output is mostly steady after some slight increases prior to Wilma. Florida handlers are bringing in more loads of milk as the post-Wilma pipelines were being refilled late last week and early this week. Milk imports are significantly higher than year earlier figures. Electricity has been restored to nearly all businesses and homes, but there are scattered pockets still out. Retail sales are getting back to normal as schools are back in session. Also, more campers/RV's are showing up on the state's highways as more winter residents are coming back early this year and this causes increased retail sales. Elsewhere in the East, bottled milk sales are steady at fairly good levels. Fluid milk supplies are ample, but surplus milk volumes are mixed. Some manufacturing plant contacts report that receipts are lighter while others note that they are getting more milk to process. Again, transportation costs and availability remain a problem and contacts are already lining up trucks and truckers for Thanksgiving week and the year-end holidays. The condensed skim market is steady. Spot demand is slower, but contract sales are unchanged. Those producers with slower sales are being forced to operate their dryers on longer schedules. The fluid cream market is mixed. Some feel that the market is a little softer and others say it is firming. It is mostly a matter of supply; some have cream still to clear while others are quite well balanced. Demand for Class II products (excluding ice cream) is seasonally good. Production of dips, sour cream, bottled cream, and egg nog are all seasonally good. However, as most Thanksgiving needs are filled, orders for these products tend to slow until year-end holiday orders come in. If historical patterns are followed, egg nog production will likely slow this weekend and resume early in December. Spot prices are significantly lower since the CME weekly average butter price dipped more than nine cents last week. Multiples are mostly unchanged from last week. Ice cream production is seasonally moderate, but there are operations that are stepping up production so they can shut down Thanksgiving week. Churning activity is light to moderate in the East.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.9222-2.1324
DELIVERED EQUIVALENT ATLANTA	-	1.9372-2.1624 M 2.0123-2.0874
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.8771-1.9522

## PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0200-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- 1.0500-1.1200

## M I D W E S T

Class I demand is steady to just occasionally stronger this week. Class II interest was improved as producers prepare specialty items such as dips and sour cream for the fast approaching Thanksgiving holiday. Based on past experience, at least a few bottlers expect to have their heaviest run of the year starting next week. A number of retail promotions on fluid milk are underway or in the works before the holiday. Resin supplies for bottles continue to become more available though prices remain well above pre-Katrina levels. Cream supplies are in better shape than in recent weeks, though heavier than usually expected offerings continue to churn. Printers are very busy and some last minute butter orders/promotions for the holidays may not be possible. Milk supplies are at least adequate for current needs. Manufacturing milk interest is uneven; with demand good one week, sluggish the next. Reported spot manufacturing milk prices range from around \$1.00 - 1.75 net over class, with most activity toward the middle to lower end of the range. Many milk handlers have also made commitments or plans with

manufacturing plant operators for surplus milk supplies over Thanksgiving weekend and some as far out as the year-end holiday period. Milk receipts are uneven, from still slipping to increasing. Fat and protein levels are near peak annual expected levels. Most of the corn and soybeans have been harvested for the year as well as fall tillage completed. There are more/larger outside piles of grain than usual.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOVEMBER 3-9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 46.00- 52.00	\$ 48.00- 53.00
REPLACEMENT HEIFER CALVES	\$400.00-800.00	\$280.00-560.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	NOVEMBER 3-9	PREVIOUS YEAR
SLAUGHTER COWS	\$ 47.00- 54.00	\$ 43.00- 55.50

## W E S T

CALIFORNIA milk production is most often steady in the northern and southern regions, while slight increases are noted throughout the Central Valley. On a daily average basis, November is typically the lowest milk output month of the year. This is expected to be true this year. Milk intakes are higher than last year due to more cows, higher per cow output, decent feed, and generally good weather conditions. Several sources are expecting more fresh cows to hit the milking stream around the beginning of the year. The CWT program will temper some of the growth. Milk volumes should be handled normally around the upcoming Thanksgiving holiday weekend. The costs of shipping milk will be higher this year and will be a factor in how far loads are shipped for processing. This week, bottled milk interest remains good and often taking higher than expected volumes. Demand for milk from cheese plants is fair to good with some plants wanting more milk to meet orders. Despite some minor day to day fluctuations of intakes, ARIZONA milk supplies are running flat with prior weeks. The weather conditions have been at or near record highs, but the cool and longer nights are preventing any stress on milk cows. Retail chain stores are running milk specials and are drawing heavy milk volumes through bottlers. Balancing plants are running on lighter schedules and not seeing outside milk offers. Milk production in NEW MEXICO is reported to be mostly steady with higher components noted on incoming milk. Bottled milk needs are unchanged with both school and retail orders level. Shipments to the Southeast are at contracted volumes. The new cheese plant is helping to balance milk supplies. Less milk has to be trucked out to find processing homes. The CREAM market in the West remains weak. The influence of lower butter prices and lack of demand for cream are pressuring cream multiples and overages lower. Finding and paying for cream transportation remain a challenge. There was steady to only slightly higher interest in cream for production of holiday items. This has been a slight mystery as to why demand for cream for these items has not been up to expectations. The butter price dropped 8 cents since midweek last week to close at \$1.4000 on 11/9. Western cream multiples run from 109 to 123, FOB, and vary depending on class usage and basing point. Weather conditions are not quite as wet at mid-week as they have been in the PACIFIC NORTHWEST. It does remain cool with little drying taking place. Milk production in the region is near the bottom seasonally. Comments are noted that while volume may be off, tests (protein and fat) are above expectations. This means that the bottom line still looks pretty good. Quality on incoming shipments of hay is beginning to decline more noticeably while prices stay firm. Also, more corn silage than expected was made from immature corn and that is impacting that quality too. Producers are working hard to rebalance rations to reduce the future impact of these lower quality feeds. Heifer prices at the monthly sale in the region are about steady to slightly lower, averaging \$21-2300. Volume sold was down substantially from last month and last year, only totaling 322 head. Weather conditions in UTAH and IDAHO are quite moderate for this time of year. Most areas are warmer than normal and they could use some additional moisture before the ground freezes up. Milk production is on a normal fall track at most plants with tests better than anticipated. Many hay producers in the region are sold out with the only stocks available coming from hay brokers. Prices continue to be on the firm side. Heifer prices are extremely firm in the region. The top end at the two markets is at or very near \$2500 and the average ranges from \$2290-2300. These prices are at or above the all-time highs in these markets. Offerings are light. Buyers need and want more heifers to complete expansion plans or just to replace existing animals. Contacts wonder if the strength will continue once milk prices begin to fall this winter.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Prices are mixed on a firm market. Plants in the area are apparently clearing loads of condensed skim directly to end user facilities, reducing dryer time and costs. Production is not expected to significantly increase until after the Thanksgiving holiday. Inventories are in balance to somewhat short of buyer interest. Brokers report that loads are readily available in the West but at prices end users are not able to pay, especially when including delivery charges. Some traders anticipate that supplies will accumulate as the year end approaches, especially as export market demand wanes. Most trade is contractual with some buyers expressing concern over pricing plans that require buyers to pay a fuel surcharge plus a base price that also includes a fuel surcharge.

**EAST:** Prices are steady to lower as the NASS price series (the basis for most NDM sales) decreased fractionally last week. The market tone is a little more settled, but buyers are still not happy with the energy surcharges being applied by nearly all producers. Demand appears to have switched more to the resale market where buyers are looking for "pre-surcharge" powder that traders may have. Production levels are mixed, but generally above historical levels for early November. November is typically the low time of year for milk production and surplus milk availability. Some producers have powder they would like to clear; other are pretty well balanced. Demand ranges from slow to good, mostly fair. Although offerings are lower in number, there is still some "government program" powder available at prices below current levels.

**CORRECTION:** Last week's CENTRAL/EAST low heat price range should have been 1.0200-1.0950 mostly 1.0400-1.0500.

**DAIRY PRODUCTS:** Nonfat dry milk production during September totaled 71.2 million pounds, down 24.2% from September 2004 and 18.1% less than August 2005. Month ending stocks, at 98.2 million pounds, are 23.0% less than last year and 10.4% less than a month ago. **NOTE:** The sharp drop in NDM production (compared to 2004 levels) may attributed to the increased production of a product called Skim Milk Powder (SMP) which is blend made for export and not reported to NASS.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUMHEAT: 1.0200 - 1.0900 MOSTLY: 1.0300 - 1.0650  
 HIGHHEAT: 1.0650 - 1.1350

**NONFAT DRY MILK - WEST**

Western low/medium heat NDM prices are steady to lower and reflect changes in basing points. The market tone is steady to slightly unsettled. There are concerns over the increases in milk production versus a year ago and as to what extent the extra milk is being dried into NDM or SMP. Cheese makers' usage of NDM has been lowered as cheese prices decline. Exports are clearing good volumes of NDM and SMP on a weekly basis. There are concerns that a backup in domestic NDM demand could happen with the decline in cheese prices. NDM production is active with the building milk supplies in the region, but because of SMP not being counted, the statistics don't always bear that out. High heat prices are slightly lower. The demand picture is mixed with some producers still short of needs for current contract and spot interest, whereas other producers have seen demand slow as seasonal customers stop making purchases. U.S. NDM production in September totaled 71.2 million pounds, 24.2% lower than last year and 18.1% less than last month. Cumulative production for 2005 is 925.8 million pounds, 18.4% (208.7 million pounds) less than 2004. September production in the Western region totaled 54.1 million pounds, down 34.3% from last year. California produced 35.0 million pounds, down 41.6% from September 2004. U.S. manufacturers' stocks at the end of September were reported at 98.2 million pounds, 23.0% less than last year and 10.4% lower than last month. [Note: NDM statistics may not include skim milk powder (SMP).]

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUMHEAT: .9800 - 1.0200 MOSTLY: .9825 - 1.0200  
 HIGHHEAT: 1.0000 - 1.0525

**CALIFORNIA MANUFACTURING PLANTS - NDM**  
 see adjacent column
**DRY BUTTERMILK - CENTRAL**

Prices are unchanged on a steady to weak market. Unconfirmed trades are noted at prices slightly above the range. Dry buttermilk delivered from the West is competitive with Central region prices. Production is steady to higher as more condensed buttermilk clears into dryers in response to increased churn activity. Although some plants have a few loads to clear, sellers are not aggressively marketing their supplies. Offerings are increasing but not heavy. Production of dry buttermilk during September 2005 totaled 4.1 million pounds, 12.0% more than September 2004 and 43.1% above August 2005. Month ending stocks, at 7.4 million pounds, are 12.8% above a year ago and 5.1% higher than August 2005.

F.O.B. CENTRAL: .9500 - 1.0000

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices and the market tone are unchanged. Eastern producers continue to report a closely balanced supply and that output is clearing satisfactorily. Drying schedules, reflecting churning activity, are light to moderate. Demand for dry buttermilk is slow to fair at best. Dry buttermilk production during September 2005 totaled 4.1 million pounds, up 12.0% from last September and 43.1% more than August 2005. Month ending stocks, at 7.4 million pounds, are up 12.8% from a year ago and 5.1% more than a month ago.

F.O.B. NORTHEAST: .9600 - 1.0050  
 DELVDSOUTHEAST: .9800 - 1.0600

**DRY BUTTERMILK - WEST**

Western dry buttermilk prices are unchanged, but are under pressure as stocks build at the producer level. Buttermilk drying remains active as butter making is heavy with available cream supplies. Demand is not keeping up with offerings as buyers have been reluctant to take positions. Offering prices are being discounted. Exporting may be an option to clear powder. U.S. dry buttermilk production in September totaled 4.1 million pounds, up 12.0% from last year and 43.1% more than August. Stocks at the end of September were 7.4 million pounds, 12.8% more than last year and 5.1% higher than last month.

F.O.B. WEST: .9100 - .9650 MOSTLY: .9150 - .9250

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged to lower and nominal. The lower Class IV milk price prompted some to adjust their price. Also, the lower butter price at the CME is impacting asking prices from Western producers. Drying schedules are geared toward meeting sales levels. Direct spot sales remain light as most shipments are contractual. Dry whole milk production during September 2005 totaled 2.9 million pounds, down 10.4% from September 2004 but 73.2% more than August 2005.

F.O.B. PRODUCING PLANT: 1.3500 - 1.5000

**CALIFORNIA MANUFACTURING PLANTS - NDM**

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
November 4	\$.9827	8,964,694	0
October 28	\$.9826	7,104,647	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are higher on a firm market. Additional fuel surcharges are being assessed onto some spot loads, encouraging higher prices. Some sellers are attempting to garner as much as 5 cents on their loads, allotting a 2 cent premium and a 3 cent fuel surcharge. Buyers that are being assessed fuel surcharges on previously contracted loads are balking at the new assessment being added onto their contracts. Some brokers are stating that they will not be contracting whey in 2006 due to the excessive surcharges and the firm belief that prices will falter in the first quarter. Production is steady. Supplies of condensed whey are reportedly limited. Demand for feed quality whey is good with supplies short of buyer interest. Production of HUMAN FOOD, dry whey during September 2005 totaled 78.2 million pounds, 5.7% more than September 2004 but 2.5% below August 2005. Month ending stocks, at 34.1 million pounds, are 6.6% below a year ago but 1.9% more than August 2005. Production of ANIMAL FEED, dry whey during September 2005 totaled 6.9 million pounds, 10.1% more than September 2004 but 5.7% below August 2005. Month ending stocks, at 4.6 million pounds, are 20.7% lower than a year ago but 43.2% more than August 2005.

F.O.B. CENTRAL: .3000 - .3250 MOSTLY: .3050 - .3250  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2675 - .3000

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are mostly steady and the Northeast prices remain nominal. However, more reports of energy surcharges being added to prices are pushing prices higher in the Midwest, which will likely impact Eastern prices in the near future. The market tone is firm, but unsettled as producers, traders, and users all seem to be talking about energy surcharges. Spot demand is limited by the availability of whey at the producers' plant. A few spots were noted, but most Eastern producers have little or no product to offer on the spot market. Those loads that do become available are generally offered to and sold to existing customers. Cheese and dry whey production are steady. However, when comparing the current CME cheese prices and the Class III milk price, most cheese makers are not too eager to add more milk to their operation. Most spot sales activity continues to be in the resale market. Demand is mostly fair to good as buyers try to buy ahead of any, anticipated price increases. Production of human food, dry whey during September totaled 78.2 million pounds, 5.7% more than September 2004 but 2.5% less than August 2005. Month ending stocks, at 34.1 million pounds, are 6.6% below last year but 1.9% more than a month ago. Production of animal feed, dry whey during September totaled 6.9 million pounds, 10.1% more than a year ago but 5.7% below August 2005.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3100 - .3275  
DELVD SOUTHEAST: .3250 - .3575

**DRY WHEY - WEST**

Western whey prices range from steady to fractionally higher. Both domestic and export sales are rated as good. New sales continue to occur and shipments of booked orders are taking place in a timely fashion. Current production ranges from steady to a bit lighter. Producer stocks are generally balanced to tight. Though some producers are indicating that, as they add energy surcharges, they are seeing some additional price resistance and some small stock building. U.S. edible whey production in September totals 78.2 million pounds, up 5.7% from last year. Stocks at the end of the month total 34.1 million pounds, down 6.6% from 2004. Western region production in September totals 24.4 million pounds, up 4.4% from last year. Cumulative total dry whey production for the first nine months of the year is 793.2 million pounds, up 1.3% from the same period in 2004.

NONHYGROSCOPIC: .2950 - .3450 MOSTLY: .3200 - .3350

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are about steady. Demand for canned evaporated milk is improving at retail as baking features and point of sale promotions are in full swing. Shipments from plants are easing slightly as most Thanksgiving needs have been shipped, but producers are lining up trucks to ship the year-end holiday orders. Canned evaporated milk production during September 2005 totaled 39.9 million pounds, 6.6% less than

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are unchanged on a mostly steady market. Trade activity is very light at prices within the range. Supplies of WPC 34% are generally in balance with most plants operating on steady production schedules. Supply availability of WPC 80% is mixed at prices that tend to vary with the source. In general, WPC 80% is competitive with WPC 34% prices for those buyers able to substitute. Most edible buyers are well contracted for the year with some discussions of 2006 noted. Feed buyers report increased interest by their end users in feed formulations that include wheat proteins as wheat proteins are a low cost substitute to dairy proteins. Demand for off grade WPC is good with supplies short of interest. Production of HUMAN AND ANIMAL WPC (25.0-49.9% PROTEIN) during September 2005 totaled 24.0 million pounds, 6.5% higher than September 2004 and 6.0% above August 2005. Manufacturers' end-of-month stocks totaled 15.9 million pounds, 23.4% lower than a year ago and 3.1% below last month. Production of HUMAN AND ANIMAL WPC (50.0-89.9% PROTEIN) during September 2005 totaled 7.9 million pounds, up 22.5% from September 2004 and 3.6% above August 2005. Manufacturers' end-of-month stocks totaled 9.8 million pounds, 9.1% above last year and 6.3% higher than last month. Production of PROTEIN ISOLATES (>90% PROTEIN) during September 2005 totaled 2.2 million pounds, 7.5% lower than last year but 1.9% higher than last month. Manufacturers' end-of-month stocks are not available for this product.

F.O.B. EXTRA GRADE 34% PROTEIN: .8125 - .8625 MOSTLY: .8425 - .8525

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged to higher on a firm market. Most trade is occurring on a contractual basis with spot trades noted at a premium. Supplies are tight with some delays on delivery noted as a result. Interest in 2006 contracts is noted from domestic, Asian and European buyers. Inquires are noted from makers of skim milk powder, as protein levels in milk rebound. Increased interest from feed buyers is also noted. Since WPC 80% is a more attractively priced protein source compared to WPC 34%, feed users are looking for products such as dry whey or permeate to dilute WPC 80% in their feed formulas. Because dry whey and permeate are limited in supply, more feed buyers are looking to lactose as a substitute and finding supplies likewise limited. Lactose production during September 2005 totaled 55.7 million pounds, up 2.4% from September 2004 and 4.6% higher than August 2005. Month ending stocks, at 50.6 million pounds, are 28.2% lower than a year ago but 5.4% above last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2000 - .2500 MOSTLY: .2050 - .2350

**CASEIN - NATIONAL**

Casein markets are generally steady at unchanged prices. Stocks of both rennet and acid are reported to be sufficient to maintain regular customer needs. European sourced stocks appear to be in good supply with Oceania supplies somewhat questionable. Reports indicate that milk production is past the peak in New Zealand which occurred a few weeks earlier than usual and basically did not attain levels of last season. This has some U.S. buyers concerned, knowing that casein production is usually the last to come on line and the first to cease output as milk volumes decline or become competitive. Some suppliers and buyers now question if the weaker market tone, which was developing for first quarter, will continue or will the unclear picture out of Oceania cause prices to stabilize and/or maybe firm.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2000 - 3.3500  
ACID: 3.2000 - 3.3000

September 2004 and 4.1% less than August 2005. Month ending stocks, at 66.2 million pounds, are 14.7% below a year ago and 14.4% less than last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

## CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	10/26	10/27	10/28	10/31	11/01	11/02	11/03	11/04	11/07	11/08
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt</b>										
OCT 05	14.39 (2544) 0	14.39 (2547) 0	14.39 (2548) 61	14.39 (2548) 0	14.39 (2550) 0	14.39 (2550) 0	14.39 (2534) 0	14.35 (2476) 1		
NOV 05	13.74 (2322) 56	13.67 (2294) 116	13.57 (2264) 166	13.52 (2244) 177	13.56 (2234) 90	13.45 (2220) 74	13.44 (2191) 49	13.44 (2198) 21	13.41 (2194) 28	13.41 (2190) 16
DEC 05	13.55 (2082) 89	13.46 (2099) 107	13.36 (2147) 105	13.26 (2146) 127	13.35 (2141) 83	13.26 (2155) 125	13.20 (2150) 112	13.15 (2149) 172	13.14 (2177) 165	13.05 (2162) 69
JAN 06	13.10 (1571) 14	13.07 (1575) 64	12.95 (1624) 85	12.92 (1665) 83	13.00 (1693) 69	12.99 (1702) 37	12.99 (1719) 54	12.94 (1745) 64	12.95 (1795) 68	12.93 (1792) 90
FEB 06	12.70 (1302) 6	12.70 (1316) 59	12.60 (1326) 48	12.56 (1369) 72	12.63 (1372) 13	12.61 (1368) 14	12.61 (1370) 7	12.61 (1370) 25	12.65 (1393) 51	12.65 (1417) 53
MAR 06	12.75 (1268) 7	12.75 (1274) 47	12.65 (1305) 68	12.57 (1337) 59	12.60 (1344) 18	12.60 (1337) 14	12.60 (1341) 7	12.60 (1336) 27	12.58 (1366) 54	12.57 (1372) 35
APR 06	12.60 (1251) 8	12.60 (1262) 30	12.50 (1285) 45	12.42 (1301) 48	12.44 (1308) 14	12.45 (1308) 19	12.45 (1313) 11	12.45 (1330) 19	12.46 (1368) 59	12.46 (1381) 35
MAY 06	12.58 (1175) 9	12.60 (1189) 32	12.55 (1235) 65	12.51 (1253) 50	12.51 (1259) 14	12.51 (1256) 16	12.51 (1261) 5	12.52 (1274) 21	12.52 (1311) 63	12.51 (1344) 37
JUN 06	12.75 (1118) 8	12.73 (1131) 40	12.65 (1179) 65	12.56 (1197) 41	12.59 (1201) 18	12.58 (1195) 18	12.58 (1197) 6	12.59 (1194) 19	12.60 (1232) 56	12.60 (1247) 25
JUL 06	13.19 (916) 8	13.21 (925) 32	13.18 (953) 38	13.16 (961) 22	13.17 (961) 11	13.18 (964) 21	13.18 (964) 7	13.19 (964) 22	13.19 (956) 30	13.19 (981) 29
AUG 06	13.42 (869) 6	13.42 (874) 34	13.42 (903) 40	13.38 (910) 19	13.38 (910) 12	13.38 (908) 21	13.38 (911) 6	13.39 (911) 26	13.42 (913) 32	13.42 (938) 25
SEP 06	13.70 (957) 7	13.70 (963) 32	13.66 (988) 36	13.61 (995) 24	13.61 (994) 11	13.61 (995) 20	13.61 (1000) 10	13.61 (994) 18	13.65 (991) 36	13.65 (1018) 25
OCT 06	13.18 (826) 8	13.18 (834) 31	13.17 (862) 36	13.15 (867) 22	13.15 (870) 11	13.15 (867) 21	13.15 (872) 5	13.15 (878) 21	13.18 (950) 93	13.15 (969) 26
NOV 06	12.85 (798) 7	12.85 (804) 31	12.85 (834) 38	12.84 (838) 19	12.85 (839) 11	12.85 (842) 17	12.85 (842) 1	12.86 (850) 24	12.89 (905) 83	12.89 (916) 29
DEC 06	12.76 (850) 7	12.76 (862) 31	12.78 (892) 41	12.76 (898) 25	12.76 (904) 9	12.76 (903) 15	12.76 (903) 0	12.76 (919) 17	12.79 (967) 83	12.79 (988) 29
JAN 07	12.60 (69) 0	12.60 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0	12.59 (69) 0
FEB 07	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0
MAR 07	12.35 (50) 0	12.34 (50) 0	12.34 (50) 0	12.34 (50) 0	12.30 (51) 1	12.30 (51) 0	12.30 (51) 0	12.30 (51) 0	12.30 (51) 3	12.30 (51) 0
APR 07	12.50 (11) 0	12.50 (11) 0	12.48 (11) 0	12.48 (12) 1	12.48 (15) 3	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0
MAY 07	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0
<b>CME - (CLASS IV) MILK FUTURES - Dollars per cwt.</b>										
OCT 05	13.15 (4) 0	13.15 (4) 0	13.25 (4) 0	13.25 (4) 0	13.25 (4) 0	13.25 (4) 0	13.25 (4) 0	13.61 (4) 0		
NOV 05	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0
DEC 05	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0
<b>CME - BUTTER FUTURES -- Cents per pound</b>										
DEC 05	149.50 (164) 8	149.00 (160) 6	149.00 (154) 9	150.00 (151) 8	150.00 (151) 0	147.90 (146) 5	145.00 (143) 10	145.00 (141) 2	140.00 (139) 2	140.00 (134) 9
MAR 06	147.75 (107) 13	147.00 (116) 15	147.00 (119) 3	146.75 (124) 6	146.75 (124) 0	147.25 (125) 3	148.00 (129) 4	147.03 (131) 4	145.75 (136) 5	144.00 (138) 12
MAY 06	147.75 (90) 9	147.00 (98) 10	147.00 (98) 0	146.50 (105) 9	146.50 (105) 0	147.00 (108) 5	147.25 (111) 3	146.75 (117) 6	145.50 (122) 5	145.00 (122) 10
JUL 06	150.50 (98) 5	148.00 (106) 14	148.50 (109) 4	149.25 (110) 4	149.25 (110) 0	148.60 (119) 9	148.52 (120) 4	148.00 (122) 3	147.00 (124) 7	146.00 (127) 3
SEP 06	153.00 (53) 4	151.00 (57) 4	151.50 (57) 0	151.50 (59) 2	151.00 (60) 1	151.00 (71) 11	151.00 (72) 1	151.00 (72) 0	150.00 (73) 1	149.00 (72) 3
OCT 06	153.50 (13) 3	153.00 (15) 2	153.00 (15) 0	153.00 (15) 0	153.00 (15) 0	153.00 (19) 4	153.00 (19) 0	153.00 (19) 0	152.00 (20) 1	150.00 (20) 4
<b>CME - CASH BUTTER FUTURES -- Cents per pound</b>										
OCT 05	164.50 (59) 0	164.50 (59) 0	164.50 (59) 0	164.00 (59) 0	164.00 (59) 0	164.00 (59) 0	164.00 (59) 0	163.63 (59) 0		
NOV 05	155.50 (112) 20	153.50 (113) 4	155.25 (113) 5	156.00 (115) 2	156.00 (115) 0	152.00 (115) 6	150.00 (117) 2	150.00 (117) 0	148.00 (115) 8	146.00 (110) 6
DEC 05	150.00 (25) 4	150.00 (31) 6	150.00 (31) 0	150.00 (31) 0	150.00 (31) 0	148.00 (35) 4	146.00 (32) 9	146.00 (32) 0	141.00 (32) 3	141.50 (36) 4
JAN 06	150.00 (24) 6	151.00 (25) 2	151.00 (25) 0	151.00 (25) 0	150.50 (29) 4	148.25 (29) 4	148.50 (29) 8	148.50 (29) 0	148.50 (29) 0	145.50 (44) 15
FEB 06	149.00 (9) 0	150.00 (11) 2	150.00 (11) 0	150.00 (11) 0	150.00 (11) 0	150.00 (11) 0	150.00 (11) 0	150.00 (11) 0	150.00 (11) 0	145.88 (30) 30
MAR 06	149.00 (2) 0	149.00 (2) 0	148.50 (6) 4	147.00 (11) 5	147.00 (11) 0	146.25 (13) 2	146.25 (13) 0	147.50 (19) 8	147.50 (19) 9	145.00 (36) 21

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered October 31 - November 11, 2005

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**WESTERN OVERVIEW:** Milk production in Europe is near seasonal low levels, however many milk producers and handlers are surprised at the volume of milk that is still available for this time of the season. Some are attributing the extra milk volumes to milder weather conditions for early November. At this point, there have not been many cold temperature days. As milk volumes decline seasonally, production of manufactured dairy products is also winding down, although stocks are available for domestic and international sales. Some traders are quite surprised at the volumes of stocks that are available, but then look at the lack of international sales during recent months and then realize why. Domestic sales have been quite regular, but are not significant enough to clear all supplies. The U.S. dollar hit a two year high early in the week with the Euro sinking to \$1.1711. Some analysts feel that the weak Euro is being pressured by interest rates and worries about unrest in France. Ramadan is now past, but international sales remain slow. Many traders feel that sales activity will probably remain slow until after the first of the year when hopefully buyers will need to return to the market place. Some small sales activity is occurring, but nothing significant compared to other years at this time. Some European traders were surprised at the small amount of powder that was sold to Algeria in the recent tender. They point to firm international prices and how international buyer interest for many dairy products seems to be trending lower. At the November 10th Dairy Management Committee meeting, most refunds were unchanged, although whole milk powder was reduced 21 Euros to 500 Euros per metric ton.

**BUTTER/BUTTEROIL:** Butter markets are generally steady, although an unsettled undertone is developing. Churning activity is declining as milk production also declines. Stocks of butter are reported to be available for domestic or international buyer interests. International butter sales are limited with most activity centered around an internal or domestic market. Now that Ramadan has ended, butter buying interest usually will resume, but many traders and handlers do not foresee much improved demand until early next year.

82% BUTTERFAT:	1,900 - 2,125
99% BUTTERFAT:	2,400 - 2,700

**SKIM MILK POWDER (SMP):** Skim milk powder markets are steady to slightly weaker. Prices are unchanged to lower. Stocks of powder are reported to be readily available for light buyer interest. Some European traders were successful in the recent Algerian tender, although the volumes are lighter than usual. Traders feel that firm international prices and less need are two reasons for the lighter volumes.

1.25% BUTTERFAT:	2,200 - 2,300
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**WHOLE MILK POWDER (WMP):** European whole milk powder markets are generally steady at unchanged to lower prices. Traders and handlers report that there have been some small lot sales, but no significant volumes. Stocks of powder are available for both internal and international buyer interest. Some European traders were successful in capturing a portion of the Algerian tender a few weeks ago, but were somewhat surprised at the limited volume of whole milk powder desired.

26% BUTTERFAT:	2,175 - 2,300
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**SWEET WHEY POWDER:** Whey powder markets are generally steady at firm prices. Whey demand on an internal and international basis is quite active. Stocks of European whey are edging lower as cheese production declines along with milk production. Most suppliers and traders anticipate whey volumes to remain limited for the balance of the calendar year with supplies to once again establish themselves as milk and cheese production increase in the new year.

NONHYGROSCOPIC:	650 - 840
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**EASTERN OVERVIEW:** Milk production continues to edge lower in Eastern Europe, although milk marketings remain heavier than last year. Some manufactured dairy product stocks have been clearing through small sales although there are still sufficient volumes available for additional sales. As has been the case for much of the year, dairy product prices are slightly lower in Eastern EU regions than in Western EU counterparts.

## OCEANIA

**OVERVIEW:** Adverse weather conditions of the past month or so in New Zealand continue to impact milk production. Many milk producers and handlers state that the season started off very positively, but deteriorated as output neared seasonal peak times of the year. Some handlers feel that the peak or at least the seasonal highs for the year were 2 - 4 weeks earlier than usual. They are stating this because milk receipts did not increase and in instances, started to slip a little at the same time as cool wet conditions occurred. Typically, late October is peak production times for most New Zealand producers. No official production figures have been released, but milk handlers state that volumes appear to not have reached year ago levels at peak production. Although the season is past the peak, producers and handlers remain optimistic about the second half of the year. At this time, no significant declines are being reported, thus they are hopeful that seasonal declines will be very gradual. In Australia, milk output is at or very near peak levels in most regions. Good weather patterns have been reported with sufficient moisture to keep pastures green and regenerating. Official September production figures are not released, but unofficial estimates indicate that output should be running ahead of last year. Stocks of manufactured dairy products are sufficient to maintain scheduled shipments. Handlers and traders are not overly concerned about lack of supply due to lighter than anticipated milk output in New Zealand. Granted, they probably will not have quite as much product generated during the first half of the season as projected, but most state that there is still quite a bit of time left to the milk production season. Prices for most products are mixed, but for the most part, holding steady around previous quotes. Second half sales negotiations are underway with most needs known. Unsure about additional stocks for new or spot buyers, most handlers are reluctant to acknowledge any of this buyer interest at this time.

**BUTTER:** Oceania butter markets are generally steady with prices unchanged to lower. Producers and handlers state that production schedules are at or very near peak levels. Stocks of butter are sufficient to maintain scheduled shipments to regular and ongoing customers. Traders and handlers indicate that supplies are in balance with needs, thus most are not committing to new or spot buyer interest. Although milk production in both Australia and New Zealand is at or very near peak levels, producers and handlers are closely monitoring their butter inventories as milk production, especially in New Zealand, is not developing as positively as projected.

82% BUTTERFAT:	1,900 - 2,200
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**CHEDDAR CHEESE:** Oceania cheese production is seasonally active as milk production is at or very near peak levels. Stocks of cheese are fully adequate for current and future needs. Oceania traders are finalizing second half contracts and are finding sales to be in line with projections and potential supplies.

39% MAXIMUM MOISTURE:	2,750 - 3,050
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**SKIM MILK POWDER (SMP):** Skim milk powder production is seasonally active as milk output is at or near seasonal peak levels. Reports of available milk are mixed. New Zealand powder producers are indicating that milk volumes appear to be lighter than last year at this time while in Australia, producers are still experiencing increasing receipts. Stocks of powder are sufficient for current and near term needs. At this point, traders and handlers are not overly concerned about supplies, but are optimistic about the second half of the production season. For the most part, traders indicate that sales continue to center around regular and ongoing customer needs with minimal new buyer interest being reported.

1.25% BUTTERFAT:	2,150 - 2,325
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are generally steady with prices unchanged to slightly lower. Powder production is in full swing in Australia and New Zealand as milk production is at or very near peak levels, but appears to be trailing last year in New Zealand. Stocks of powder are adequate to maintain steady shipment schedules to regular and ongoing customers. At this point, traders and handlers are limiting sales for new or spot buyers.

26% BUTTERFAT:	2,175 - 2,350
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Exchange rates for selected foreign currencies: November 07, 2005

.8426 Canadian Dollar	.0218 Indian Rupee
.3363 Argentina Peso	.6794 New Zealand Dollar
.0934 Mexican Peso	.7334 Australian Dollar
.2937 Polish Zloty	.0085 Japanese Yen
	1.1812 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0934)= 10.7066 Mexican Pesos.  
Source: "Wall Street Journal"

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, OCTOBER

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for October 2005 is \$1.8256 per pound. Thus, the Class II butterfat price is \$1.8326. The protein and other solids prices for October are \$2.3780 and \$0.1491 per pound, respectively. These component prices set the Class III skim milk price at \$8.25 per cwt. The October Class IV skim milk price is \$7.48 which is derived from the nonfat solids price of \$0.8310 per pound.

**Product Price Averages:** The product price averages for October are: butter \$1.6363, nonfat dry milk \$0.9794, cheese \$1.4996, and dry whey \$0.3038.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <u>1/ 2/</u>						
FEDERAL MILK ORDER MARKETING AREAS <u>3/</u>	ORDER NUMBER	OCTOBER 2005				NOVEMBER 2005
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <u>4/</u>	001	17.52	14.25	14.35	13.61	17.81
Appalachian (Charlotte) <u>5/</u>	005	17.37	14.25	14.35	13.61	17.66
Southeast (Atlanta) <u>6/</u>	007	17.37	14.25	14.35	13.61	17.66
Florida (Tampa ) <u>7/</u>	006	18.27	14.25	14.35	13.61	18.56
Mideast (Cleveland) <u>8/</u>	033	16.27	14.25	14.35	13.61	16.56
Upper Midwest (Chicago) <u>9/</u>	030	16.07	14.25	14.35	13.61	16.36
Central (Kansas City) <u>10/</u>	032	16.27	14.25	14.35	13.61	16.56
Southwest (Dallas) <u>11/</u>	126	17.27	14.25	14.35	13.61	17.56
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	16.62	14.25	14.35	13.61	16.91
Pacific Northwest (Seattle) <u>13/</u>	124	16.17	14.25	14.35	13.61	16.46
All-Market Average	---	16.92	14.25	14.35	13.61	17.21

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide 11.63--the approximate number of gallons in 100 pounds of milk.

2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

3/ Names in parentheses are the major city in the principal pricing point of the market.

4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90.

6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90.

7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30.

8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

12/ Class I price at Las Vegas is minus \$0.35.

13/ Class I prices at other cities are: Portland, same; and Spokane, same.

### MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, AUGUST 2005

In August 2005, mailbox milk prices for selected reporting areas in Federal milk orders averaged \$14.65 per cwt., \$.03 more than the figure for the previous month. The component tests of producer milk in August 2005 were: butterfat, 3.53%; protein, 2.95%; and other solids, 5.70%. On an individual reporting area basis, mailbox prices increased in all Federal milk order reporting areas except six, and ranged from \$18.60 in Florida to \$13.00 in New Mexico. In August 2004, the Federal milk order all-area average mailbox price was \$14.75, \$.10 higher.

Reporting Area	Mailbox Milk Price <u>2/</u>		
	August 2004	July 2005	August 2005
	Dollars per hundredweight		
Northeast Federal Milk Order	15.07	14.96	15.09
Appalachian States <u>3/</u>	15.11	15.00	15.38
Southeast States <u>4/</u>	15.75	15.65	16.59
Southern Missouri <u>5/</u>	14.46	14.24	14.67
Florida	17.18	17.62	18.60
Ohio	14.68	14.60	14.67
Indiana	14.92	14.61	14.68
Michigan	14.53	14.34	14.50
Wisconsin	15.23	15.06	14.74
Minnesota	15.05	14.69	14.57
Iowa	14.89	14.64	14.52
Illinois	14.80	14.73	14.50
Corn Belt States <u>6/</u>	13.76	13.62	13.58
Western Texas <u>7/</u>	14.09	13.77	13.92
New Mexico	13.04	12.95	13.00
Northwest States <u>8/</u>	13.63	13.78	13.84
All Federal Order Areas <u>9/</u>	14.75	14.62	14.65
California <u>10/</u>	13.73	13.53	13.23

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. As applicable, includes milk not-pooled due to disadvantageous intra-order price relationships. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. Mailbox price does not include any Milk Income Loss Contract (MILC) payments. Mailbox price does include, for the most part, the \$0.05 per cwt. assessment under the Cooperatives Working Together (CWT) program. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ The counties of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry and all those to the south of these. 6/ Includes Kansas, Nebraska and the Missouri counties to the north of those listed in 5/. 7/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 8/ Includes Oregon and Washington. 9/ Weighted average of the information for all selected reporting areas in Federal milk orders. 10/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

## SEPTEMBER FLUID MILK SALES

During September, about 4.7 billion pounds of packaged fluid milk products is estimated to have been sold in the United States. This was 2.5 percent higher than September 2004. After adjusting for calendar composition, sales in September 2005 were 1.0 percent higher than September 2004. On an individual product basis, after adjusting for calendar composition, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and flavored fat-reduced milk increased from September 2004, while sales of whole milk, flavored whole milk, and buttermilk decreased from a year earlier.

**Editor's Note:** Additional data can be found at <http://www.ams.usda.gov/dyfmoms/mib/in-areales.htm>

ESTIMATED TOTAL U.S. SALES OF FLUID MILK PRODUCTS,  
SEPTEMBER 2005, WITH COMPARISONS <sup>1/</sup>

Product Name	Sales		Change from: <sup>2/</sup>	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Whole Milk	1,427	12,791	-1.3	-3.6
Flavored Whole Milk	63	557	-4.4	-13.3
Reduced Fat Milk (2%)	1,530	13,206	4.9	1.1
Low Fat Milk (1%)	554	4,752	4.9	2.9
Fat-Free Milk (Skim)	683	5,994	4.8	3.0
Flavored Fat-Reduced Milk	365	2,659	2.6	4.3
Buttermilk	43	386	-1.9	-3.2
Total Fluid Milk Products <sup>3/</sup>	4,679	40,471	2.5	-0.1
Total Fluid Milk Products Adjusted <sup>3/ 4/</sup>	4,622	40,466	1.0	0.3

<sup>1/</sup> These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, which accounts for approximately 92 percent of total fluid milk sales in the United States. An estimate of total U.S. fluid milk sales is derived by interpolating the remaining 8 percent of sales from the Federal milk order and California data. <sup>2/</sup> Percent changes, as well as sales volumes, unless otherwise noted, are shown on an unadjusted basis; see <sup>4/</sup>. There were significant revisions to previous year data and April 2005 data for California. <sup>3/</sup> Total fluid milk products include the products listed plus miscellaneous products and eggnog. <sup>4/</sup> Sales volumes and percent changes have been adjusted for calendar composition; see [http://www.ams.usda.gov/dyfmoms/mib/clndr\\_comp\\_rpt.pdf](http://www.ams.usda.gov/dyfmoms/mib/clndr_comp_rpt.pdf)

PACKAGED SALES OF TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDERS  
AND CALIFORNIA, SEPTEMBER 2005, WITH COMPARISONS <sup>1/</sup>

Area (Order Number)	Sales		Change from: <sup>2/</sup>	
	September	Year to Date	Previous Year	Year to Date
	Mil. Lbs.		Percent	
Northeast (001)	804	7,026	1.4	-0.8
Appalachian (005)	298	2,580	2.1	-0.6
Southeast (007)	418	3,603	2.3	1.7
Florida (006)	250	2,237	5.2	2.6
Mideast (033)	531	4,628	1.3	-0.5
Upper Midwest (030)	380	3,269	4.7	2.0
Central (032)	405	3,427	3.5	-0.3
Southwest (126)	378	3,172	5.5	1.4
Arizona-Las Vegas (131) <sup>3/</sup>	108	937	3.9	2.3
Pacific Northwest (124)	184	1,584	1.2	-0.8
California (---) <sup>4/</sup>	548	4,770	0.4	0.0

<sup>1/</sup> These figures are representative of the consumption of total fluid milk products in the respective area; see <sup>3/</sup> above for the products included. <sup>2/</sup> Percent changes, as well as sales volumes, are shown on an unadjusted basis; see <sup>4/</sup> above.

<sup>3/</sup> The in-area sales data for this order does not include all the sales in the marketing area due to the reporting exemption of fluid milk processors located in Clark County, Nevada.

<sup>4/</sup> There were significant revisions to previous year data and April 2005 data for California.

**SOURCE:** Monthly reports filed by milk processors subject to the provisions of the applicable Federal milk order, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF NOVEMBER 7 - 11, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/05	SAME PERIOD LAST YEAR	WEEK ENDING 11/04/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	-0-	35,528,951	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	35,528,951	-0-	-0-

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF NOVEMBER 7 - 11, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	0.9	48.4
CUMULATIVE SINCE OCTOBER 1, 2005 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	7.8	413.6
CUMULATIVE JAN. 1 - NOV. 11, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	61.0	3,276.3

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/05 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
CENTRAL	-0-	-0-	-0-	-0-	-0-	1,331,567	0.0	3.8
WEST	-0-	-0-	-0-	-0-	-0-	33,126,781	0.0	93.2
EAST	-0-	-0-	-0-	-0-	-0-	1,070,603	0.0	3.0
TOTAL	-0-	-0-	-0-	-0-	-0-	35,528,951	0.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 10/22/05 & Comparable Week 2004

Regions* (000 HEAD)	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	7.7	2.7	16.0	4.3	1.0	N.A.	15.9	2.1	51.5	1,830.2
2004-Dairy	N.A.	0.7	6.6	3.1	18.1	2.9	0.7	N.A.	13.1	2.3	48.3	1,925.4
2005-All cows	N.A.	0.6	9.6	11.9	29.9	17.9	11.8	N.A.	18.6	2.7	105.9	3,860.7
2004-All cows	N.A.	0.8	8.2	14.9	29.7	17.2	12.5	N.A.	15.4	5.7	107.4	4,122.3

**SOURCE:** The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA. 1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89	14.44	13.70	14.27	14.56	
II	13.04	13.36	13.25	13.24	12.78	13.06	13.79	13.95	14.35	14.25		
III	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35		
IV	12.52	12.74	12.66	12.61	12.20	12.33	13.17	13.44	13.75	13.61		

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfm05/mib/cis\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfm05/mib/cis_prod_cmp_pr.htm)